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C O N F I D E N T I A L SECTION 01 OF 02 BAGHDAD 000332

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TAGS: PGOV PREL PTER PINS MOPS MARR EAID ECON KDEM IZ
SUBJECT: FALLUJAH: NEW YEAR, NEW CHALLENGES -- SAME HIGH
STAKES

Classified By: Robert S. Ford, Political Counselor, reasons 1.4 (b), (d).

11. (C) SUMMARY: Fallujah faces ongoing security and rebuilding challenges despite hard-won progress throughout 12005. Attacks directed against Marines and Iraqi Security Forces continue, including an IED explosion in January 2006 targeting local police (native Fallujans). Intermittent sniper activity has resulted in Marine casualties. Marines have implemented new procedures with greater involvement by local police that should lessen tension. For the last two weeks, Fallujah's municipal council suspended work. This will likely be temporary, and appeared intended for show and a degree of self-protection in the face of insurgent intimidation. The new-year, however, promises to be decisive. Key decisions soon need to be made by the Iraqi government, coalition, and municipal leaders that will shape the city's long-term trajectory, including: whether to ensure robust police support and improved capabilities; whether Fallujah's leaders will be both stronger and accountable; whether the government will provide further compensation for Al Fajr damages and economic rebuilding; whether to maintain civil-military engagement inside the city; and how long to maintain the Marines' presence. END SUMMARY.

SECURITY: MORE FRICTION; NEW PROCEDURES IN PLACE

- 12. (C) While Fallujah is largely stable (especially in comparison to other Anbar cities), small-arms fire and IEDs targeting Marine and Iraqi Army convoys and to a lesser extent police -- who are drawn from local residents -- reflect continued insurgent activity. At the end of 2005 and early 2006, sniper activity led to Marine casualties and calls by CF for greater cooperation among city leaders. The assassination of Fallujah's revered mufti, Sheikh Hamza Abbass Al-Issawi, in late November 2005 shook city clerics as a group and the city population as a whole. Imams have yet to name a replacement, with only a temporary mufti identified so far (the city's leading candidate fled to Syria).
- 13. (C) Iraqi police forces in Fallujah continue to grow and are mentored by Marines and International Police Liaison Officers. Improved police performance and self-sustainment via more effective Ministry of Interior support will allow for eventual Marine unit departures from the city. A larger unit of U.S. Army police trainers recently arrived in Fallujah. Currently one company of Marines is located within the city limits, 1,700 police (of which 500 are in training), alongside three Iraqi Army battalions. Marines provide local police with fuel and other logistical

CITY COUNCIL BOYCOTT

- 14. (C) Fallujah city leaders have generally advocated engagement and cooperation with CF and Fallujah PolOff throughout 2005. Weekly reconstruction and FCC sessions have sustained dialogue since the period just after Al Fajr in the autumn of 2004. Separate sessions with tribal leaders and junior imams have likewise reinforced proactive civic engagement, even while tribal sheikhs have recently begun to criticize openly the city council as weak. Fallujah leaders have stressed that CF engagement from inside the city at the Civil-Military Operations Center symbolizes important continued U.S. and Marine engagement at a fragile time. (COMMENT: At some point in 2006, these functions will need to transition fully out of the city in order to prevent a dependency relationship from developing. Fallujans also need to understand that coalition attention and resources will increasingly be directed toward the provincial capital, Ramadi. Too quick a departure, however, and insurgents will likely view the move as a retreat and residents would see it as a lack of U.S. resolve and commitment to the city's longer term success. END COMMENT.)
- $\underline{\P}5$. (C) In an FCC session held January 24, Mayor Dhari, and FCC Chairman (and senior imam), Sheikh Kamal Shakir Al-Nazal, accused the Marines of abusive behavior towards citizens. Until the situation improved, they said council members would "suspend" all future meetings. The Marine

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Regimental Commander and Poloff urged the leaders to remain in the session to work through issues; they agreed. (COMMENT: The boycott threat appeared to be mainly for show; city leaders had assembled local media for the announcement -- later carried by Al Jazeera with headlines that Fallujah leaders refuse cooperation with Marines. Most claims usually prove to be exaggerated, or false, although some have been substantiated and later addressed. Marine leaders and Poloff have pressed the city council to do a better job vetting them or forfeit credibility. END COMMENT.)

16. (C) In subsequent meetings, Marines and the city leaders agreed to employ new procedures for ongoing counterinsurgent operations. Iraqi police (locally recruited, trained in Jordan) will take on a more active role interfacing with residents, which should help reduce tension. Police Chief Salah supported these efforts and told Marine Regimental Commander, Marine FAO and PolOff January 31 that he expects city leaders to return to the job. (NOTE: The current council and mayor were selected by leading city constituencies in June 2005; the new-year provides an opportunity to reexamine the body's composition in order to ensure the strongest leaders represent the city. This effort likely will need to follow Provincial Council elections. END NOTE.)

COMMENT

17. (C) Recent friction between CF and Fallujah residents can largely be explained by the increased tempo of operations and rotation of units combined with a council that sought self-advantage in overstating and publicizing the situation. The new Marine procedures -- with greater local buy-in and police involvement -- should help improve the dynamic, as would greater cooperation among residents and more active leadership by the FCC. The decision by city leaders to suspend work will likely prove temporary.

Residents increasingly expect basic services from leaders, who, as a group, largely have not delivered; in turn, the council claims to be powerless to satisfy city needs. Mayor Dhari and Sheikh Kamal often lay blame in what they perceive to be a dysfunctional provincial government, unresponsive central ministries and the general flux in Baghdad regarding the new government's formation -- a somewhat valid litany, but one that does not include their own shortcomings and innate tendency to highlight problems versus work toward solutions.

18. (C) While overall progress in Fallujah has been steady, but slow, it remains contested turf fifteen months after Operation Al Fajr. The city could slip back into its more troubled past. 2004's key military events (April and November Marine-led battles), followed by 2005's primary political markers (January, October and December elections and referendum with increasingly high turnout), will need to be followed by real gains in economic development and Iraqi army recruitment among Sunni Arabs Anbar-wide in order for positive traction in Fallujah to be sustained. 2006 represents a decisive period for U.S. efforts in our now extensive and always complex Fallujah engagement. As we increasingly reduce our profile in the city -- the CF military presence, as qualified ISF/police stand up and, in the political sense, as local governance solidifies -- our challenge will be not to see the city slip backwards in terms of security. Fallujah's trajectory could still shift from stable or up, to a spiral downward. If so, the associated media headlines -- not terrorist propaganda, but based on reality -- would mark a strategic loss for us and a strategic win for the patient terrorists who want to call Fallujah home again. The demonstrated will to succeed by all sides will be as important throughout 2006 as the amount of resources and/or pressure applied. A "good enough" -- let alone happy -- ending in still-challenged Fallujah is by no means yet guaranteed. KHALILZAD